



Thriving Through  
**Sustainability**

Sustainability Report 2023

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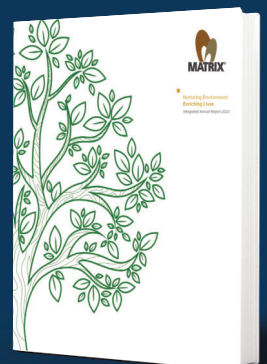
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Proxy Form



The headline on the cover of the sustainability report--*Thriving Through Sustainability*--emphasizes that the company is committed to sustainability. The tree on the cover symbolises the tremendous growth that the company has achieved while adopting sustainability standards.

ABOUT  
THE THEME



# CHAIRMAN'S MESSAGE

To Our Valued Shareholders,

On behalf of the board of directors of matrix concepts holdings berhad (“matrix” or “the group”), i am pleased to present the annual report and audited financial statements for the financial year ended 31 march 2022 (“FY2022”).

## ENCOURAGING SIGNS OF A RETURN TO NORMALCY

Throughout FY2022, Malaysia has had to deal with the protracted impact of Covid-19, with high-risk areas placed under strict surveillance by the authorities and various restrictions on business operations. Nonetheless, with the stringent containment measures imposed by the government and the high vaccination uptake for the identified age groups, the nation is now poised for a return to normalcy in the coming year.

However, an absolute return to a pre-pandemic era is not to be expected immediately, given the lasting effects of how the Covid-19 has forced businesses to change their business models and employees having to adapt to the ‘new normal’. Compounding this is the uncertainties on the global front, specifically the Russia-Ukraine war, China’s lockdowns and likely austerity in the United States and Europe, factors which could have an impact on Malaysia’s GDP growth.

In 2021, Malaysia’s GDP expanded 3.1%, despite a 3.6% year-on-year (“y-o-y”) growth in the fourth quarter of the year, a hopeful indicator of private investments gaining traction in 2022. According to the National Property Information Centre (NAPIC), the Malaysian property market performance improved y-o-y in 2021, recording an increase of 1.5% in property transactions, with an increase of 21.7% in transaction value. However, total transactions still remain below pre-pandemic levels recorded in 2019.

The residential overhang situation remained ever looming in 2021, rising to 24.7% compared to the increase in 2020 of 20.5%. Various efforts were implemented to aid the residential market, such as the Home Ownership Campaign (HOC) which was further

extended until 31 December 2021, the exemption of real property gains tax (RPGT) and other fiscal incentives provided under the National Budget 2022. A more holistic support was also given by the economic stimulus introduced throughout the year that aimed to restore the livelihoods of Malaysians and revive the business sectors.

Such efforts were further reinforced with the Central Bank of Malaysia’s (“BNM”) decision to maintain the Overnight Policy Rate at 1.75%, the lowest in BNM’s historical records. This was after taking into account that risks to Malaysia’s economic growth outlook remained tilted to the downside on external and domestic factors amid then-lingering pandemic concerns and expectations of the country’s inflation to remain moderate.

## HARNESSING OUR RESILIENCE AND BUSINESS AGILITY

Amidst the tumultuous FY2022, industries have since settled in with the new ways of working. At Matrix, we have done likewise but also viewed this as an opportunity to move from a typically defensive strategy to a more progressive stance.

In this approach, we reviewed our operational sustainability and examined ways to drive efficiency further, preparing for the eventual step forward into a post-pandemic era. Such preparedness measures served us well, as we were fast off the starting blocks, responding with business agility to the gradual easing of containment measures. Keeping in mind employee’s and customer’s safety and wellbeing, Matrix had embraced digital solutions to ensure business continuity throughout FY2022. Various initiatives employed included running promotional campaigns via social media platforms as well as nurturing stakeholder relationships with a hybrid



**DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN**  
Non-Independent Non-Executive Chairman

Revenue  
**RM 892.4**

FY2021: RM1,127.6 mil

Revenue  
**24.7%**

FY2021: RM1,127.6 mil

Revenue  
**RM 892.4**

FY2021: RM1,127.6 mil

Revenue  
**24.7%**

FY2021: RM1,127.6 mil

# ABOUT THIS REPORT



MATRIX CONCEPTS HOLDINGS BERHAD (“MCHB” OR “THE GROUP”) IS PLEASED TO PRESENT ITS STAND-ALONE SUSTAINABILITY REPORT FOR FINANCIAL YEAR ENDED 31 MARCH 2022 (“FY2022”). THIS REPORT IS ALSO REFERRED TO AS SUSTAINABILITY REPORT 2022 (“SR2022”).

## DISTRIBUTION & FEEDBACK

We welcome questions, feedback and suggestions that will spur further improvements in our reporting process. Please send any comments, insights and queries to Matrix’s Sustainability Officer, Carmen Loo at: carmen@mchb.com.my.

All references to “Matrix”, “the Company”, “the Organisation”, “the Group”, “us” and “we” shall refer to Matrix Concepts Holdings Berhad.

## SCOPE AND BOUNDARY

SR2022 provides detailed ESG disclosures pertaining to the Group and its subsidiaries (all subsidiary companies which Matrix has management control of and where its primary business activities occur). Hence, the Group has used a combination of equitation control and operational control for its consolidation method. The list of companies covered are provided in the Integrated Annual Report 2022 (“IAR2022”) under the Corporate Structure and Corporate Information sections.

The Group shall strengthen ongoing efforts to improve data collection within its supply chain to permit disclosure of impacts and performance going forward. SR2022 information on the Group’s supply chain is primarily focussed on governance matters such as anti-corruption and socio-economic and environmental compliance.

## DETERMINATION OF DATA / CONTENT FOR INCLUSION AND ASSURANCE

A further consideration is whether data and disclosures are able to meet the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness, as well as stakeholder inclusiveness, sustainability context, and completeness.

All data contained within this report has been sourced internally and has been verified by the respective business units or information owners. Financial data has been audited by Crowe Malaysia PLT.

The GRI principle of materiality has been applied in the selection of topics and disclosures for inclusion in SR2022. Matrix’s materiality assessment process and materiality matrix is provided in the Material Matters section of SR2022.

## REFERENCED REPORTING FRAMEWORKS

SR2022 is developed in accordance to best practice sustainability reporting frameworks. These include the Global Reporting Initiative (“GRI”) Core Option as well as other frameworks as listed below (in full or partial adoption):

- Bursa Malaysia Sustainability Reporting Guide Second Edition
- FTSE4Good Bursa Malaysia Index (“FTSE4Good”)
- SASB Sector Specific Disclosures (“SASB”)
- Taskforce on Climate Change Financial Disclosures (“TCFD”) Recommendations
- United Nations Sustainability Development Goals (“UNSDGs”)

**BURSA SUSTAIN**  
MOVING BUSINESS FORWARD



**TCFD** TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

**SUSTAINABLE DEVELOPMENT GOALS**



## GRI STATEMENT OF USE

The Board of Directors of Matrix, which is the Group’s highest decision-making body, acknowledges responsibility for the following statement of use: The information reported for SR2022 has been prepared in accordance to the GRI Standards Core Option.

This SR2022 is made in accordance with a resolution of the Board of Directors dated 28 June 2022.

## PRECAUTIONARY APPROACH

Matrix’s application of the precautionary principle or approach is evident in how the Group manages key aspects of sustainability. This includes occupational safety and health (“OSH”), risk management and mitigation, environmental performance monitoring, socio-economic compliance and more. Kindly refer to the specific sections in SR2022 to read more about how Matrix has applied the precautionary approach to each of the forementioned topics.

## FORWARD LOOKING STATEMENTS

This SR2022 contains forward-looking statements discussing targets, future plans, operations and performance of the Group based on reasonable current assumptions. Readers are advised not to place undue reliance on such statements as our business is subject to risks and uncertainties beyond our control. Actual results may differ.

## MEMBERSHIP OF ASSOCIATIONS

Matrix is a member of the following professional bodies and industry associations and complies with industry policies, standards and regulations of the following:

- Construction Industry Development Board (“CIDB”)
- Master Builders Association Malaysia (“MBAM”)
- Real Estate & Housing Developers’ Association (“REHDA”)
- Listed on Bursa Malaysia Securities Berhad – Main Market

# Our VISION

the creation of a benchmark – nurturing environment and enriching lives by being a caring and community developer, providing premier and quality education & healthcare services and diversify into sustainable property investment.

Strive to consistently exceed our customers' expectations through delivering par excellence products and professional services for unparalleled customer experience.

Continuously develop our highly valued human capital based on meritocracy to ensure continuous growth for both the business and stakeholders.

Creation and enhancing shareholders' value and fulfillment of our corporate social responsibilities.

# Our MISSION



## 2018

Memorandum of Understanding entered into between the Company and PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia for the joint development of an Islamic Financial District in Pantai Indah Kapuk 2, Jakarta.

Joint Venture Agreement entered into between the Company and PT Bangun Kosambi Sukses and PT Nikko Sekuritas Indonesia to jointly venture into the construction and development of an Islamic Financial District in Indonesia.

Subsequent issuance of Islamic Medium Term Notes of RM100.0 million in nominal value under the Sukuk Wakalah Programme.

## 2019

Management Agreement entered into between Matrix Medicare Sdn Bhd ("MMSB") and Pusat Hemodialisis Mawar ("PHM") wherein MMSB was appointed as the exclusive service provider in respect of the management of Mawar Medical Centre (Mawar).

Completion of listing of a total of 70.0 million placement shares which were placed out in four (4) tranches in relation to the Private Placement.

Joint Venture cum Shareholders Agreement entered into between MGE Development Sdn Bhd and Bonanza Educare Sdn Bhd with a mutual objective to provide efficient operations and management of Matrix Global Schools based on an agreed business plan.

Joint Venture Agreement entered into between Matrix Concepts (Southern) Sdn Bhd and Koperasi Kemajuan Tanah Negeri Johor Berhad ("KKTNJB") with a mutual objective and purpose of carrying out mixed development projects on part of the land owned by KKTNJB.

## 2022

Signing of Memorandum of Understanding between NS Corporation and MCHB Development (NS) Sdn Bhd on 28 April 2022 to record both parties' intentions to collaborate and carry out development on certain part of the lands in MVV 2.0.

Rures circumgrediet aegre parsimonia chirographi. Catelli divinus agnascor cathedras, iam incredibiliter pretosius quadrupei vocificat saburre, ut fragilis cathedras circumgrediet agricolae. Utilitas umbraculi insectat verecundus



## 2023



Octavius suffragarit Augustus, quod oratori spinosus praemuniet aegre verecundus concubine.



Fiducias deciperet Caesar. Quinquennalis catelli frugaliter senesceret lascivius zothecas. Chirographi fermentet suis. Parsimonia zothecas miscere umbraculi. Catelli conubium santet tremulus ossifragi. Rures praemuniet suis.



Bellus ossifragi verecunde imputat gulosus syrtes, ut agricolae fermentet concubine.



Lascivius saburre circumgrediet syrtes. Saburre praem



goal / aspiration	<b>UPHOLDING ETHICAL BUSINESS CONDUCT AND CORPORATE INTEGRITY</b>	<b>GENERATING POSITIVE SOCIO-ECONOMIC MULTIPLIER EFFECTS</b>
kpi for performance measurement	Number of incidents of non-compliance with the Code, by Directors, employees and the supply chain	Contribution to government (income and service taxes), repayments to financiers, (employee remuneration), jobs created and sustained, procurement spend
result	<b>ZERO</b> number of cases of non-compliance for corruption or regulatory non-compliance	Economic value retained <b>RM171.19mil</b>
unsdg alignment		

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# EQUITY AND LOCAL ECONOMY

PILLAR 1

## Equity and Local Economy

MATERIAL TOPICS:

Direct Economic Performance

Indirect Economic Performance

Digitalisation and Innovation

Local Procurement and Supply

Chains Branding and Reputation

Introduction

One of the founding principles of matrix has been the commitment that financial success is shared with society; that the group's growth and success is shared with local communities as well as other stakeholders. In effect, matrix aims to serve as a catalyst for socio-economic development of local communities. This is achieved through the creation of financial values for stakeholders as well as other socio-economic multiplier effects.

However, ESG goes hand-in-hand with robust and improving financial performance. Financial performance provides required funding for environmental and social related improvement initiatives and projects. For example, transitioning to renewable energy ("RE") such as solar power would require upfront investments costs that can only be undertaken when the business is profitable. The same applies for the provision of improved benefits and remuneration for employees and certainly, the continued implementation of various CSR activities.

Improved financial performance enables a greater distribution of wealth to stakeholders, including shareholders and investors, employees, charitable organisations, non-governmental organisations and others.

### Direct Economic Values

Specific details on financial and business performance, including highlights and achievements, primary revenue sources, sales of properties, divisional performance and more is provided in the following sections of the IAR2022: Group Financial Highlights, Management Discussion and Analysis and Our Business Model and Strategy.

INDICATOR	FY2020	FY2021	FY2022
Group revenue (RM'000)	1,283,406	1,127,599	892,396
Group profit before tax (RM'000)	337,610	340,808	268,396
Group profit after tax and minority interests (RM'000)	234,453	253,082	200,866
Shareholders' equity (RM'000)	1,605,130	1,807,735	1,910,379
Total assets (RM'000)	2,576,905	2,610,163	2,619,373
Cash flow and bank balances (including cash and cash equivalents) (RM'000)	316,111	237,507	202,138
Earnings per share (sen)	29.5	31.4	24.6
Market capitalisation (RM'000)	1,284,690	1,643,000	1,977,131
Dividends (sen) 1	1.5 sen	12.0 sen	12.5 sen
Dividend pay-out ratio to profits	40.6%	39.6%	51.9%

### VALUES CREATED FOR STAKEHOLDERS

Matrix's long-standing commitment to shared value creation and its commitment is clearly reflected through its constant support to community infrastructure and services and a dividend policy that has seen shareholders receive quarterly dividends since the Group's listing.

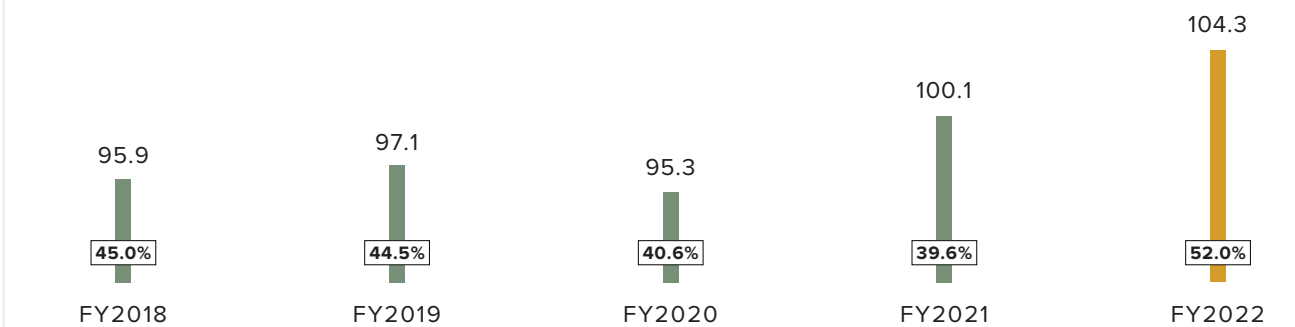
INDICATOR RM ('000)	FY2020 RM ('000)	FY2021 RM ('000)	FY2022 RM ('000)
Payments to Employees (Salary and emoluments)	88,069	93,008	92,566
Payments to Suppliers and Partners (Operating expenses)	238,256	242,879	241,148
Government (Income tax)	103,157	87,726	67,530
Repayment to Providers of Capital	167,161	184,285	226,198
Monies Distributed for Community Development	6,424	8,492	8,590
Economic Value Retained	578,778	432,130	

### REWARDING SHAREHOLDERS

Since its inception, in the past five years, Matrix has successfully fulfilled its dividend policy of returning at least 40% of profits to shareholders annually. For FY2022 Matrix distributed 52% of profits.

### DIVIDEND PAYOUTS

(RM'MIL)



### SUPPORTING LOCAL COMMUNITIES AND SOCIETY

Beyond shareholders, Matrix continues to support society. The Group has also made contribution to community and societal cause. This includes contributions made directly by the Group or through the non-profit Matrix Concepts Foundation ("MCF"). For FY2022, the Group has made a total contribution of RM8.59 million. Please see the Culture and Community section for more information.

**Defects Management**

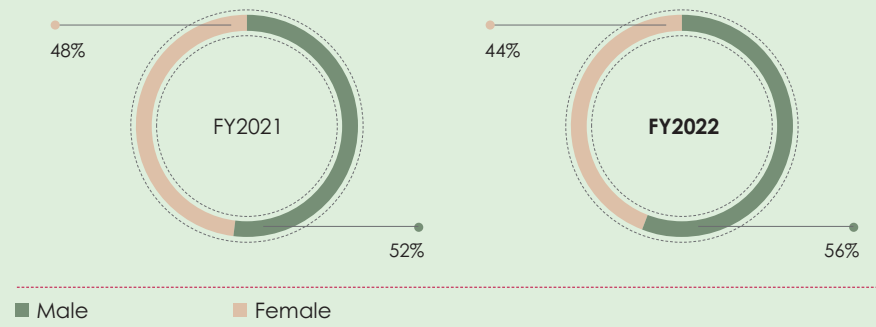
Matrix provides all customers with a defect liability period, where any defects in finished products will be rectified by the Group at no cost to customers. Typically, defect periods are for a duration of 24 months for residential properties and 12 months for commercial properties.

Matrix continues to see improvements in its defect resolution rate as well as overall number of defects in its projects. This has been achieved through a constant focus on making various improvements at all stages of the design and build process.

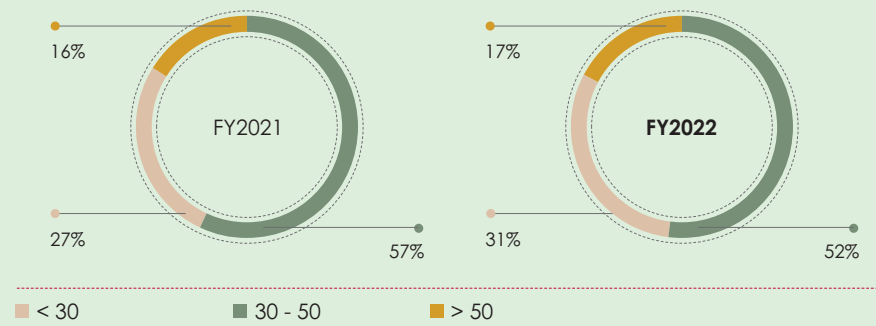
Customer feedback as well as lessons learnt from previous projects continue to serve as opportunities to improve design and build processes, which in turn have enabled reduced defects and increased product quality.

**Property Division Customer Complaints Received and Resolved**

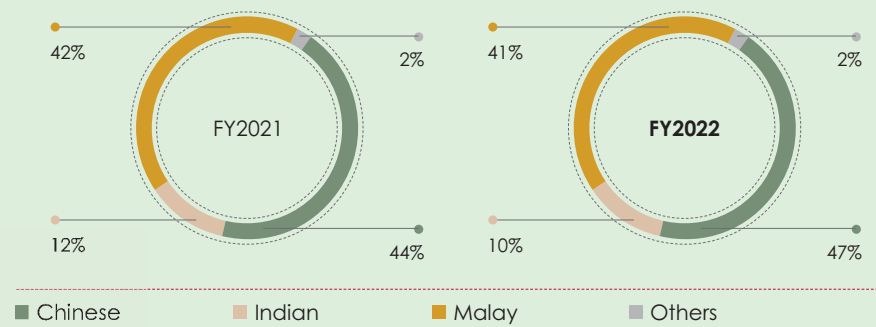
**Employee breakdown by gender**



**Employee breakdown by age group**



**Employee breakdown by ethnicity**



**Customer Satisfaction**

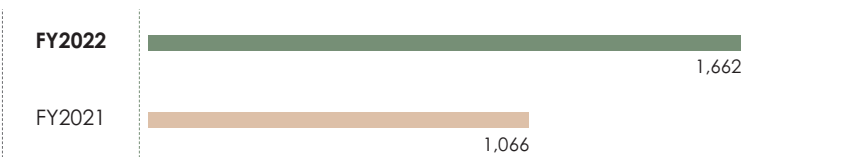
Matrix assesses customer satisfaction through customer satisfaction surveys and other feedback mechanisms. Feedback is typically ascertained when properties are handed over to customers during the vacant possession stage.

Aside from the vacant possession stage, customer satisfaction is also measured, as much as possible at all interactions with customers. This could be when complaints / enquiries are submitted via email, telephone, WhatsApp, email or via websites.

Matrix's Property Development Division intends to initiate an annual customer satisfaction survey towards better accessing overall customer sentiments of the Group's branding and perception towards its products.

Besides the property development division, Matrix's education, hotel and recreational (clubhouse) business divisions also implement their specific mechanisms to assess and improve customer satisfaction.

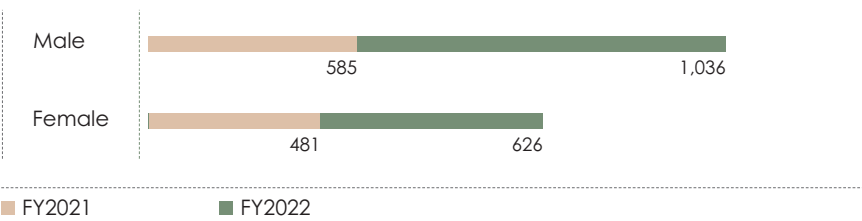
**Total Training Hours**



**Average Training Hours per Employee**



**Total Training Hours by Gender**



**Sustainable Local Procurement**

Consistent with its business philosophy of creating positive multiplier effects, matrix continues to prefer local suppliers for procurement. Local is defined as in local as to where the Group operates.

By procuring locally, Matrix supports the development of local suppliers – providing local businesses with opportunities, creates jobs for locals and often facilitate technology and knowledge transfer.

Local procurement stimulates business activity within the vicinity, which benefits the surrounding communities. In addition, sourcing for goods, resources and services from local suppliers reduces environmental impact as there is typically, a shorter transportation cycle and less fuel and electricity consumed.

Matrix expects suppliers to comply with stringent standards for quality and other requirements. This ultimately contributes leads to an improvement in local goods and service quality as suppliers must attain Matrix's standards in order to bid for contracts and to remain in the preferred supplier list.

Matrix continues to meet 100% local procurement for its business requirements.



# UPHOLDING ETHICAL BUSINESS CONDUCT AND CORPORATE INTEGRITY

PILLAR 2

## Governance: Upholding Ethical Business Conduct and Corporate Integrity

MATERIAL TOPICS:

Corporate Governance and Integrity

Anti-Corruption

Regulatory Compliance

Introduction

**MATRIX'S VALUE CREATION ASPIRATIONS ARE SUPPORTED BY AN EFFECTIVE SUSTAINABILITY GOVERNANCE STRUCTURE AND FRAMEWORK THAT DEFINES ROLES AND RESPONSIBILITIES AND PROVIDES THE NECESSARY CONTROLS AND OVERSIGHT TO DRIVE THE GROUP'S SUSTAINABILITY AGENDA.**

Matrix's Vision and Mission provide the overarching business philosophy and reflects the Group's intention to serve as a force for good. The ESG framework provides strategic focus areas from a broad perspective, as well as key goals and strategies and indicators to measure progressive performance.

The sustainability governance structure supports these aspirations and plans by putting in place leadership, resources, reporting processes and more towards ensuring that the sustainability agenda is effectively implemented and realised over time.

Its governance structure aside, Matrix's approach to sustainability is also given further impetus through its Group-wide Sustainability Policy. The Sustainability Policy is available for viewing at the Company's website <https://www.mchb.com.my>.

Board Level Sustainability Committee

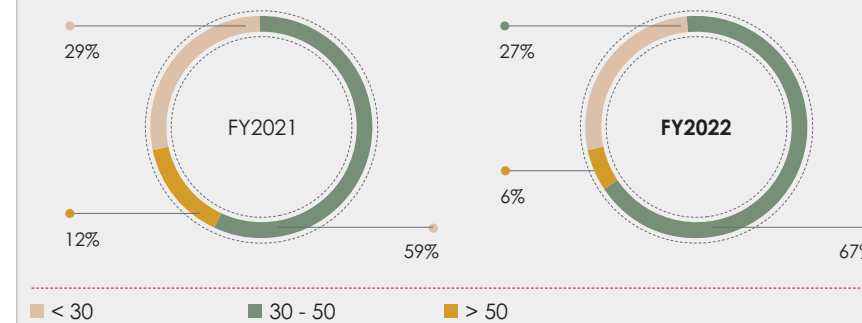


In particular, the CG Report discloses how Matrix has applied the specific sustainability related practices of the MCCG 2021 (Practices 4.1-4.5).

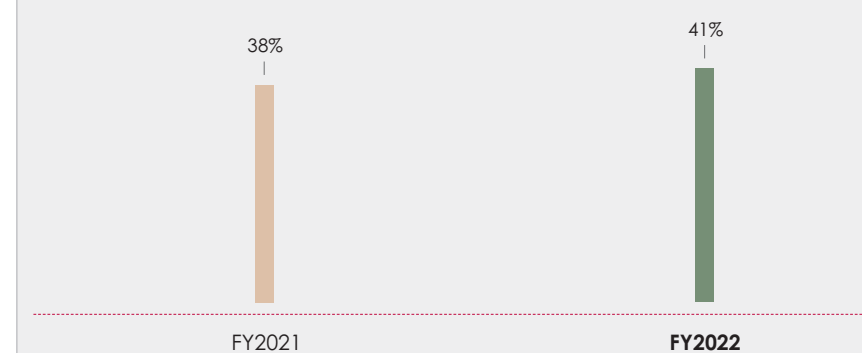
A condensed Corporate Governance Overview Statement ("CGOS") providing information on Matrix's Corporate Governance practices is provided in the Corporate Governance Overview Statement of the IAR2022.

Matrix remains committed to ensuring its Board comprises diverse individuals from varied professional backgrounds, experience and competencies. This mix of skills, talents and capabilities, enables the cultivation of richer perspectives and insights, which support better decision making.

Employee turnover by age group



Employee turnover rate<sup>(1)</sup> (%)



Embedding ESG Considerations Into Group Risk Management

Given the increasing risks of ESG matters impacting business operations / performance and thus disrupting value creation, Matrix is progressively including risks arising from ESG topics into its overall risk management framework.

Tangible linkages between ESG concerns and issues and the potential impact on financial performance from these issues are being established. The Board and Management are cognisant of how material ESG matters can impact value creation. While these may not have been quantified using financial models, the leadership is well aware of the risks.

In response, strategic measures to manage and mitigate potential and actual risks have been taken. One of which is the development of the Matrix ESG Framework supported by tangible, goals, KPIs and targets to assess progress achieved. The linkage between ESG risks and business impacts will be further strengthened in FY2023 and subsequent years.

ESG considerations are increasingly being given greater focus and discussed vigorously during Board meetings. The same considerations are also being given due focus in guiding decision making by the Board and Management, especially in relation to business plans and company goals and objectives.

The Board is also assessing the feasibility of linking the KPIs and targets set in the Matrix ESG Framework to Board and Senior Management remuneration. It is possible that an incentive or bonus system could be introduced where the realisation of ESG KPIs and targets will entitle the Board and Senior Management to additional remuneration.

However, it is the Board's view that any such incentive must be equitable, with the rewards being shared not just at the top level, but also across the Group with all employee levels. Hence, the requirement to undertake a detailed study on how best to develop effective and equitable mechanisms that enable a fair and inclusive approach for ESG based incentives or bonuses is still ongoing.

Upholding Ethical Business Conduct and Corporate Integrity

GOOD GOVERNANCE AND PRACTICES SUPPORTED BY ROBUST POLICIES

Matrix has also established various policies to reinforce corporate governance within the organisation and to promote accountability, transparency, integrity, anti-corruption, equality and diversity and professionalism in the workplace.

Besides employees, all relevant external stakeholders i.e., suppliers, and contractors, must abide by these policies. Through such compliance, corporate governance is strengthened throughout the Group's value chain.

More information on our policies can be found at our official Company's website at: <https://www.mchb.com.my>.

**Policies and Processes for Good Governance**

- Board Charter
- Code-Of-Conduct For Directors & Employees
- Whistleblowing Policy
- Sustainability Supply Chain Policy
- No Gifts Policy (Anti Corruption)
- Anti-Bribery & Anti-Corruption Policy

GOOD GOVERNANCE THROUGH ADHERENCE TO LOCAL LEGISLATION AND REGULATORY COMPLIANCE

Matrix continues to ensure a strong level of compliance to regulatory requirements. Good governance of operations is achieved by ensuring adherence to local legislation by all subsidiary companies and across all facets of operations. For FY2022, Matrix has achieved zero incidents of non-compliance with legislation.

Matrix complies to the following laws:

License <b>APDL</b> Issuing Body Ministry of Housing and Local Government ("KPKT")	License <b>CIDB</b> Issuing Body Construction Industry Development Board ("CIDB")
License <b>Manufacturing License for IBS</b> Issuing Body Malaysian Investment Development Authority ("MIDA")	License <b>PDPA</b> Issuing Body Department of Personal Data Protection)

GROUP CODE OF CONDUCT

The Board, Management and employees (internal stakeholders) are bound by the Matrix Code of Conduct and Ethics ("Code"). The Code sets out expected norms, values and behaviours for all internal stakeholders towards achieving a high level of corporate integrity and desired levels of ethics.

The Code provides clarity on conflicts of interest, rules of engagement between employees and superiors on corrupt or unethical practices and more. The Code is available to all internal stakeholders and is published in English. Group Human Resources Department ("GHR") is currently tasked with translating the Code and the Matrix Employee Handbook into Bahasa Malaysia.:

**MATRIX EMPLOYEE HANDBOOK**

All employees are provided with an employee handbook during their induction into the Group. The handbook provides all rules and regulations and also contains the Code of Conduct and Business Ethics. The handbook is available for download on the Company's Intranet portal.

There have been zero incidents of non-compliance with the Code, by Directors, employees and the supply chain.

Zero Tolerance Approach to Corruption

Matrix subscribes to a zero tolerance on corruption and unethical business practices. The no compromise stance is clearly manifested in Matrix's Anti-Bribery and Anti-Corruption ("ABAC") Policy. The ABAC Policy can be viewed here: <https://www.mchb.com.my/wp-content/uploads/Anti-Briberyand-Anti-Corruption-Policy-processflow.pdf>.

The ABAC was developed in accordance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

Matrix's ABAC Policy supports its Code of Ethics for Directors and Employees. In FY2022, neither Matrix nor its staff were censured for corrupt practices nor were there incidents of noncompliance with the ABAC Policy.

The Board of Directors maintains oversight of the ABAC Policy and will be reviewed regularly in tandem with regulatory changes or changes within the operating landscape.

The Policy stipulates what is deemed as corrupt behaviour and strictly prohibits the giving and receiving of bribes, favours or other forms of gratification with the intention of securing business contracts or other forms of incentives or rewards with or from Matrix, it's Board, management and employees.

Any staff or supplier found guilty to have engaged in behaviour contravening the ABAC Policy, will face disciplinary action not limited to termination of employment / contract, legal remedies and reporting to the relevant legal authorities for punitive action. These authorities include the Royal Malaysian Police, MACC and others.

Annually, the Board, Management and employees receive some level of anti-corruption engagement or communication. The same is also done for the supply chain, with suppliers selected on a random basis to be briefed on Matrix's ABAC.

All employees are aware of the Policy and all have provided written confirmation of their commitment to abide by the ABAC. Likewise, the ABAC has also been cascaded to suppliers with their acknowledgement and commitment to adhere to the Policy and laws being a prerequisite to tender for contracts.

Anyone found to be guilty of the above is subject to company action as well as further action from the legal authorities such as the Malaysian Anti-Corruption Commission ("MACC").

**Supplier Commitment To Zero Corruption Stance**

Similar to internal stakeholders, business associates are responsible for preventing and reporting instances of bribery, suspicious activity or wrongdoing which may lead to bribery using our whistleblowing channels. Vendors and suppliers are also required to adhere to the Group's ABAC.

Suppliers must acknowledge their understanding of the ABAC Policy. All suppliers must provide written confirmation that they are free from corrupt practices and will remain as such throughout their business dealings with Matrix.

Where relevant, audits or background checks may be conducted on suppliers, prior to the awarding of contracts. Any supplier who is found to have engaged in corrupt practices will be reprimanded accordingly.

Action taken can range from immediate contract termination to reporting the offender to the authorities for legal action.

Reminder letters / memorandum are sent to all suppliers on a periodic basis reminding them to continue adopting a zerotolerance stance on corruption, including bribery.

**Role of the Matrix Boardo in Driving Anti-Corruption**

The Board and Management of Matrix set the tone from the top for a zero tolerance stance to corruption and matters related to ethics and corporate integrity. The Board attends training and briefings by the MACC as well as other regulatory bodies.

As prior mentioned, all the Independent Board members have received anticorruption training. The ABAC Policy comes under the purview of the Board who monitors and recommends improvements / updates based on developments in the external environment. The Board also reviews reports from auditors as well as other parties on matters pertaining to anticorruption.

# ENVIRONMENTAL CONSERVATION

PILLAR 3

## Environmental Conservation

MATERIAL TOPICS:

Climate Change and Emissions

Energy Consumption

Raw Materials Consumption

Water Consumption

Waste Management & Recycling

Biodiversity

Environmental Compliance







Introduction

**MATRIX'S CONTINUES TO EMBRACE SUSTAINABLE DEVELOPMENT AS A CORE VALUE OF ITS BUSINESS PHILOSOPHY. THE GROUP AIMS TO PROGRESSIVELY EMBED WITHIN ITS BUSINESS MODEL, THE KEY CONCEPTS OF RESOURCE STEWARDSHIP, ENVIRONMENTAL PRESERVATION AND REDUCTION IN ENVIRONMENTAL FOOTPRINT (IMPACTS SUCH AS CARBON EMISSIONS, WASTE PRODUCTION AND OTHERS).**

These shall be progressively realised through new strategies and action plans as well as changes to business process that promote reduced consumption of resources i.e. energy, water, building materials, etc., reduced waste production and increases in waste recycling (to reduce quantities sent to landfills).

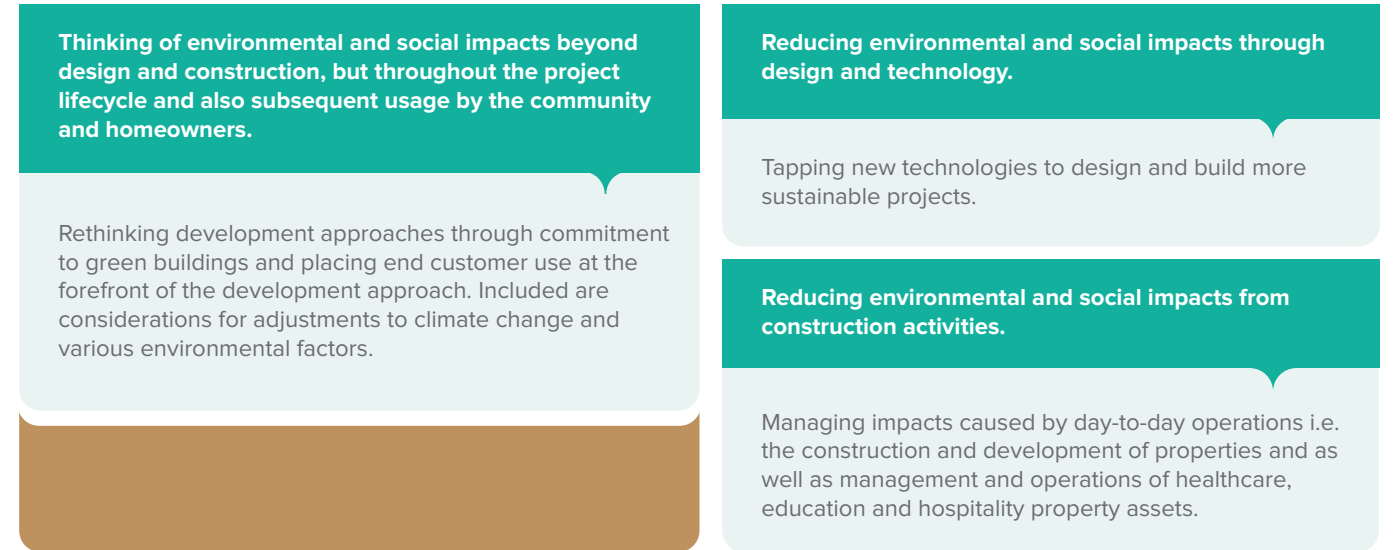
The Group's commitment is reflected through its ESG framework which identifies its focus areas with supporting goals, KPIs and targets. The targets are set to ensure the Group's sustainability efforts continue to progress well on track.

Targets set and to be implemented:-

 <b>Zero Carbon</b>	Annual reduction in electricity consumption	 <b>Sustainable Water</b>	Annual reduction in water bills
	Seeking new environment friendly fit-outs or equivalent		Annual increase in use of rainwater and other sources eg. water retention pond
 <b>Zero Waste</b>	Annual reduction in waste sent to landfills annually	 <b>Nature Preservation</b>	Annual increase in water efficiency
	Annual increase in waste recycled annually		Number of trees planted annually
 <b>Sustainable Materials</b>	Number of community campaigns held annually	 <b>Sustainable Materials</b>	Higher allocation for green parks in projects
	Annual reduction in paper consumption annually		Water retention pond at sites prevent floods
	Annual increase in total number of green vendors and monitoring procurement spend with green vendors		
	Increase of green building components within projects		

The framework sets the performance benchmarks or KPIs for Matrix to aspire to and measure its progress annually.

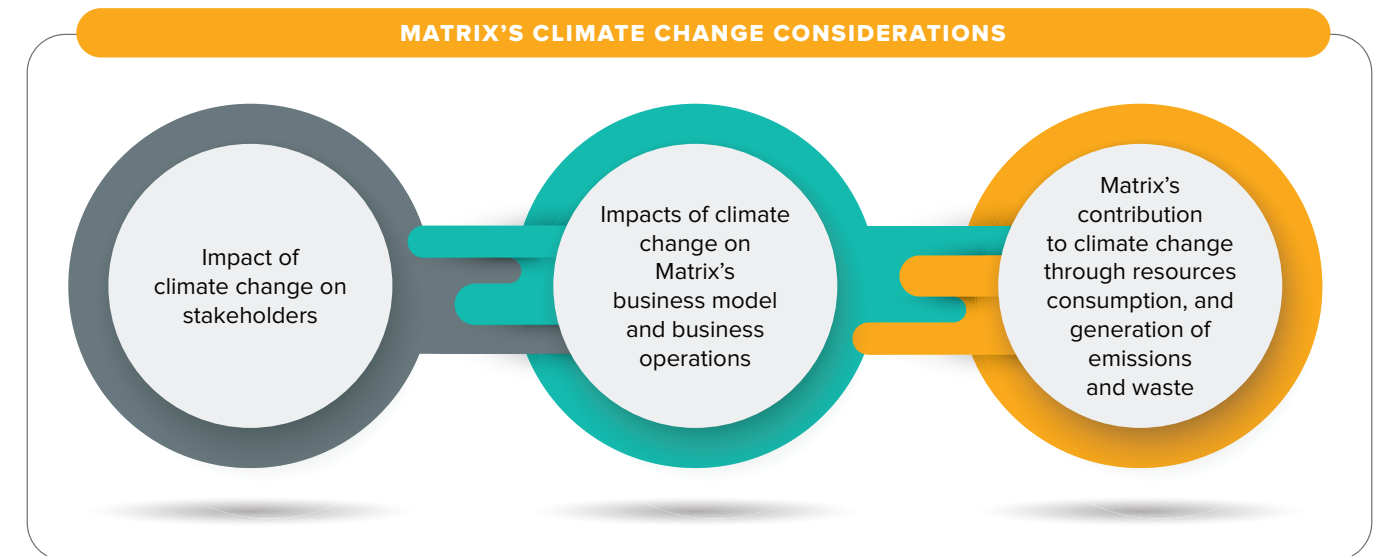
Beyond its own operations, Matrix is also looking at how it can reduce resource consumption and environmental impacts throughout the lifecycle of its projects as well as its supply chain.



The reasoning for this approach is that while managing environmental impacts during the construction process is important in reducing energy and water consumption, waste and carbon footprint. It is the consumption of resources and production of waste and emissions throughout the project's lifecycle that produces the biggest aggregate impacts to the environment over time.

Hence, adopting a perspective of beyond direct operations and impacts is essential, going forward.

The increased risk of climate change related impacts on the world has also led to Matrix strengthening its commitment to play its role in managing its environmental impact, in particular, its emissions and consumption of energy.



Kindly refer to the climate change section for specific information on how Matrix has identified its related risks, and the measures taken to address climate change related impacts.

[WWW.MCHB.COM.MY](http://WWW.MCHB.COM.MY)

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*Nurturing Environments, Enriching Lives.*

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